ARIZONA HOUSE OF REPRESENTATIVES



Fifty-sixth Legislature First Regular Session

House: LARA DPA 9-0-0-0 | 3rd Read 60-0-0-0 **Senate**: NREW DPA/SE 4-3-0-0 | 3rd Read 16-12-2-0

Final Pass: 36-22-1-0-1

HB2441: state tree; residential planning
NOW: standpipe service; continuation; emergency
Sponsor: Representative Griffin, LD 19
Transmitted to the Governor

Overview

An emergency measure that directs a city or town (municipality) to execute a treat and transport agreement (agreement) and treat and transport water to a standpipe and allow water hauling from the standpipe to residences outside of the municipality's water service area if specified criteria are met.

<u>History</u>

In response to a declared shortage on the Colorado River, the City of Scottsdale ceased providing water for hauling to Rio Verde Foothills in 2023. This unincorporated community borders the City of Scottsdale and contains about 2,000 households. Most residents use wells for a domestic water source, but approximately 500-700 households depend on the delivery of hauled water. One source of hauled water was a filling station operated by the City of Scottsdale, which provided about 117 acre-feet of water to Rio Verde Foothills annually.

In August 2021, the Bureau of Reclamation declared a Tier 1 shortage on the Colorado River. The City of Scottsdale's <u>Drought Management Plan</u> required that when a Tier 1 shortage occurred, any water hauling operations would cease unless the customer could prove the hauled water was being directly supplied to a resident or business within the city's limits. In August 2022, the City of Scottsdale notified all water hauling customers that water service would cease on January 1, 2023 unless the customer could prove the hauled water was used within the city's limits. The City of Scottsdale terminated water service on January 1, 2023.

Provisions

- 1. Requires a municipality providing water service in Maricopa County to execute an agreement with at least one third party and, for a maximum of three years, treat and transport water to a standpipe and allow for water hauling to residences outside the municipality's water service area if:
 - a) 750 or fewer residences located in an unincorporated community within the county and adjacent to the municipality will be served;
 - b) the municipality provided standpipe service to water haulers that delivered water to the residences but ceased that service pursuant to an adopted drought management plan;
 - c) the municipality, before ceasing standpipe service, had the opportunity to execute an agreement allowing the municipality to continue providing free standpipe service to water haulers but the agreement was not executed prior to this act's effective date:
 - d) there is no other water source within 10 miles of the residences:
 - e) the municipality is reimbursed for the full reasonable costs of treating and transporting the water and allowing water hauling from the standpipe; and

- f) treating and transporting the water to and allowing water hauling from the standpipe does not, without the municipality's consent, reduce the amount of water available to residences and businesses in specified areas. (Sec. 1)
- 2. Directs the municipality providing the water to:
 - a) treat and transport water to the standpipe;
 - b) allow the water to be received at the standpipe and delivered through water haulers with a water hauling account;
 - c) collect from the water haulers the reasonable cost, not to exceed \$20 per 1,000 gallons, for treating and transporting the water and allowing water hauling from the standpipe; and
 - d) annually provide at least 150 acre-feet of water at the standpipe. (Sec. 1)
- 3. Allows self hauling of water from the standpipe. (Sec. 1)
- 4. Requires a municipality or third party (entity) that provides water for treatment, transportation and water hauling to publicly disclose the source and quantity of the water provided. (Sec. 1)
- 5. Exempts a municipality that treats and transports water and allows water hauling from a standpipe from liability for any actions taken or omissions after water is received by a water hauler. (Sec. 1)
- 6. Prohibits the entity that provides water for treatment, transportation and water hauling from reducing or suspending the amount of water provided except if:
 - a) the entity has disclosed the source and quantity of the water; and
 - b) that source has been reduced or suspended by a proportionate amount outside the entity's control. (Sec. 1)
- 7. Stipulates a municipality's drought management plan may not prohibit the municipality from entering into contracts with private entities to ensure the integration of stable and secure water supplies. (Sec. 1)
- 8. Exempts a municipality that has fulfilled the prescribed obligations from being liable to any person or entity for providing or failing to provide water. (Sec. 1)
- 9. Asserts that a standpipe service as specified does not constitute utility service. (Sec. 1)
- 10. Asserts that the area outside of a municipality's utility service area where a water hauler may deliver water does not constitute a part of the municipality's service area. (Sec. 1)
- 11. Specifies that a municipality is not obligated to provide standpipe service outside of its service area unless required by law or contract. (Sec. 1)
- 12. Provides that the outlined requirements do not:
 - a) preclude the execution or implementation of a voluntary agreement before this act's effective date; and
 - b) apply if an agreement is executed by this act's effective date that results in adequate water being supplied to the residences.
- 13. Repeals these requirements on January 1, 2026. (Sec. 1)
- 14. Contains an emergency clause that was not enacted by the House of Representatives or Senate. (Sec. 2)

☐ Prop 105 (45 votes)	☐ Prop 108 (40 votes)	⊠ Emergency (40 votes)	☐ Fiscal Note